



Trade Facts

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The Hemispheric Cooperation Program Helping Small and Developing Countries To Fully Benefit from the FTAA

What is the FTAA Hemispheric Cooperation Program (HCP)? The HCP is proposed by the United States as a special trade capacity-building program to assist small and developing countries benefit fully from hemispheric free trade. The U.S. will seek agreement to launch the program at the Quito Ministerial Meeting of the FTAA on November 1.

National/Regional Strategies. Countries seeking technical assistance would prepare, with the help of USAID and the Inter-American Development Bank (IDB), strategies identifying needs in three areas: participation in negotiations, implementation of FTAA commitments, and economic adjustment relating to the FTAA and economic integration. Technical assistance could include:

- Training for government officials, such as customs officers, environmental analysts, bank regulators, patent and copyright officials, food safety inspectors, and trade policy analysts.
- Programs that foster trade policy coordination among government agencies and that identify ways to make such trade agencies more effective and transparent.
- Programs to establish or improve statistical and analytical institutions, similar to the U.S. International Trade Commission. Such agencies or institutions would provide impartial and transparent information to governments and civil society on trade policy issues.
- Programs for business development, such as identifying new market opportunities for small and medium size companies.
- Programs to assist governments with regulatory reform in areas such as revenue systems, environmental protection or competition policy.

These strategies would also help integrate trade into countries' overall development efforts and into their development programs with the IDB and the World Bank.

Both Public and Private Sector Resources. Government funding only addresses part of the need. Active participation by the private sector and foundations would bring additional resources and creativity to the HCP. For example, roundtable sessions would bring together public and private donors to identify the best possible programs, from both private and public sources, to meet the needs identified in each country's trade capacity building strategy.

HCP Support Is Both Financial and Non-financial. U.S. technical assistance for trade capacity building in the region was \$102 million in FY 2002, and President Bush is seeking an increase of approximately \$40 million for FY 2003. At about \$140 million, FY 2003 U.S. regional trade capacity-building assistance would be more than double the FY 2001 level of \$60 million. It is envisioned that IDB programs would also be available, such as fast-track loans of up to \$5 million for capacity building for trade-related ministries. Experts from other FTAA partners would also be available to train government officials in smaller economies and less developed countries.

Welcomed by all countries participating in the FTAA, the HCP is an unprecedented approach that could become a model for work in the WTO.